

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES OF AMERICA

v.

HITACHI METALS, LTD.

Defendant.

Case No.:

Judge:

Violation: 15 U.S.C. § 1

Filed:

FILED
OCT 31 AM 10:03
CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
TOLEDO
3:14 CR 0394
JUDGE HELMICK

MAG. JUDGE JAMES R. KNEPP II

INFORMATION

The United States of America charges that:

I.

DEFENDANT AND CO-CONSPIRATORS

1. HITACHI METALS, LTD. is hereby made a Defendant on the charge contained in this Information.
2. HITACHI METALS, LTD. ("Defendant") is a corporation organized and existing under the laws of Japan, with its principal place of business in Tokyo, Japan, and U.S. subsidiaries in various locations, including New Albany, Indiana. The Defendant is the successor in interest to Hitachi Cable, Ltd., and any reference to the Defendant in this Information includes Hitachi Cable, Ltd. During the period covered by this Information, the Defendant was engaged in the business of manufacturing and selling Automotive Brake Hose (as defined in Paragraph 6 below) to Toyota Motor Corporation and certain of its subsidiaries, affiliates, and suppliers (collectively, "Toyota") in the United States and elsewhere.

ORIGINAL

3. Another corporation and other individuals, not made defendants in this Information, participated as co-conspirators in the offense charged in this Information and performed acts and made statements in furtherance of it.

4. Whenever in this Information reference is made to any act, deed or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control or transaction of its business or affairs.

II.

BACKGROUND

5. During the period covered by this Information, the Defendant and its co-conspirators supplied Automotive Brake Hose to Toyota for installation in vehicles manufactured and sold in the United States and elsewhere. During the period covered by this Information, the Defendant and its co-conspirators manufactured Automotive Brake Hose in the United States and elsewhere for installation in vehicles manufactured and sold in the United States and elsewhere.

6. Automotive Brake Hoses are flexible hoses that carry brake fluid through the hydraulic brake system of automobiles. Automotive Brake Hoses are typically manufactured for specific automobiles, and are developed over a year in advance of an automobile model entering the market. Before ordering Automotive Brake Hose for a new automobile model, automobile manufacturers typically requested pricing from suppliers, through requests for quotation ("RFQs"). In response to the RFQs, the suppliers submitted price quotes, or bids, to the automobile manufacturer. When a supplier received part orders for a particular automobile

model, it typically supplied the parts for the duration of that model, which is usually four to six years.

III.

DESCRIPTION OF THE OFFENSE

7. Beginning at least as early as November 2005 and continuing until at least September 2009, the exact dates being unknown to the United States, the Defendant and its co-conspirators entered into and engaged in a combination and conspiracy to suppress and eliminate competition by agreeing to allocate sales of, to rig bids for, and to fix, raise, and maintain the prices of Automotive Brake Hose sold to Toyota in the United States and elsewhere. The combination and conspiracy engaged in by the Defendant and its co-conspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1). The statute of limitations for the charged offense was tolled from December 1, 2013 to October 31, 2014, pursuant to an agreement between the Defendant and the United States.

8. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the Defendant and its co-conspirators, the substantial terms of which were to allocate sales of, to rig bids for, and to fix, raise, and maintain the prices of Automotive Brake Hose sold to Toyota in the United States and elsewhere.

IV.

MEANS AND METHODS OF THE CONSPIRACY

9. For the purpose of forming and carrying out the charged combination and conspiracy, the Defendant and its co-conspirators did those things that they combined and conspired to do, including, among other things:

- (a) participating in meetings, conversations, and other communications to discuss the bids and price quotations to be submitted to Toyota in the United States and elsewhere;
- (b) agreeing, during those meetings, conversations, and communications, to allocate among the companies certain sales of Automotive Brake Hose sold to Toyota in the United States and elsewhere;
- (c) agreeing, during those meetings, conversations, and communications, on bids and price quotations to be submitted to Toyota in the United States and elsewhere;
- (d) exchanging information on bids and price quotations to be submitted to Toyota in the United States and elsewhere, in order to effectuate the agreements;
- (e) submitting bids and price quotations to Toyota in the United States and elsewhere in accordance with the agreements;
- (f) selling Automotive Brake Hose to Toyota in the United States and elsewhere at collusive and noncompetitive prices; and
- (g) accepting payment for Automotive Brake Hose sold to Toyota in the United States and elsewhere at collusive and noncompetitive prices.

V.

TRADE AND COMMERCE

10. During the period covered by this Information, the Defendant and its co-conspirators sold to Toyota, in the United States and elsewhere, substantial quantities of Automotive Brake Hose in a continuous and uninterrupted flow of interstate commerce. In

addition, substantial quantities of equipment and supplies necessary to produce and distribute such Automotive Brake Hose, as well as substantial payments for such parts, traveled in interstate commerce.

11. During the period covered by this Information, the business activities of the Defendant and its co-conspirators in connection with the production and sale of Automotive Brake Hose that are the subject of this Information were within the flow of, and substantially affected, interstate and foreign trade and commerce.

VI.


JURISDICTION AND VENUE

12. The combination and conspiracy charged in this Information was carried out, at least in part, within the United States.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.



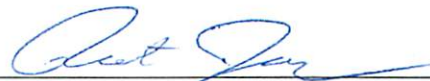
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